

Q4



Mammoth Lakes Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2008)

Mammoth Lakes In Brief

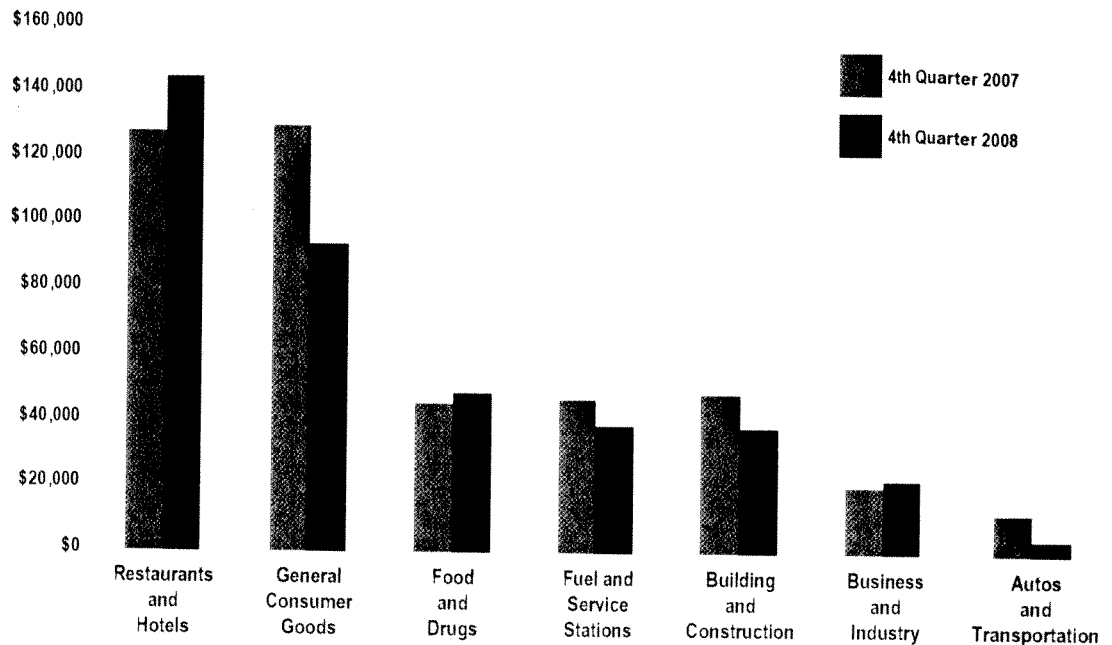
Receipts for Mammoth Lakes' fourth quarter sales were 9.0% lower than the same quarter one year ago. Actual sales were down 6.5% when reporting aberrations were factored out.

Double-up payments that temporarily inflated year-ago returns caused the drops in sporting goods/bike stores and family apparel. The city experienced a decline in sales from the building & construction sector. Lower fuel prices reduced receipts from service stations.

The losses were partially offset by a strong sales quarter for restaurants & hotels and a onetime payment that exaggerated results from business & industry.

Adjusted for reporting aberrations, taxable sales for all of Mono County declined 6.5% over the comparable time period while the Sierra's region, as a whole, was down 8.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Alpine Paint	Mammoth Shell Mart
Amerigas Propane	Pierce Manufacturing
Chart House	Polo Ralph Lauren
Country Glass	Restaurant Lulu
Finishing Touch	Rite Aid
Footloose Sports	Robertos Mexican Cafe
Heritage Operating	Sierra Design Studio
High Country Lumber & Bldg Supply	Van Heusen
Kittredge Sports	Vons
Lumber City	Wave Rave
Main Lodge	Snowboard Shop
Mammoth Chevron	Whiskey Creek
Mammoth Mountaineering Supply	Whitebark Restaurant & Bar

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2007-08	2008-09
Point-of-Sale	\$1,248,368	\$1,161,573
County Pool	304,553	254,002
State Pool	570	593
Gross Receipts	\$1,553,491	\$1,416,169
Less Triple Flip*	\$(388,373)	\$(354,042)

**Reimbursed from county compensation fund*

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Statewide Sales Sink!

Adjusted for accounting aberrations, point of sale receipts from October through December sales were 13.1% lower than the same quarter of 2007. The revenues generated in this holiday quarter were the lowest since 2003.

The declines occurred in all categories of sales except fast food restaurants and grocery stores and were experienced in all counties and regions. Of particular significance were the 23% decline in receipts from petroleum related businesses which resulted from declining prices and consumption, a 37% drop in revenues from new car sales, and a 14.6% decrease in sales tax allocations from building and construction materials.

Tax revenues from general consumer goods were down 10.4% from the 2007 holiday quarter while business to business sales were 9.0% lower.

This was the sixth consecutive quarter of lower statewide allocations. Trade association surveys indicate that January through March sales will be equally dismal. The latest HdL consensus forecast estimates that fiscal 2008/2009 sales and use tax revenues will be 8.8% below the prior year.

Most economists believe that the recession will not bottom out until late 2009 and significant recovery will not occur before 2011/2012.

New Sales Tax Rate

Article 13A of the state constitution authorizes the state legislature to increase taxes other than property by a two thirds vote. This allowed the 2008/2009 state budget compromise which temporarily increases the state portion of the sales and use tax rate by 1.0% from April 1, 2009 to July 1, 2011. The increase will be extended for one additional year if voters approve Proposition 1A, the state spending cap measure on the May ballot. This brings California's top combined sales, transactions and use tax rate to

10.25%, except in Los Angeles County, where on July 1, 2009 the maximum possible rate becomes 10.75% as an additional one-half cent tax passed by that county's voters in November takes effect. Only two agencies in California will reach the highest rate.

Economists disagree on how consumers will react to a double digit sales tax. The actual impact may be difficult to distinguish from sales lost due to current economic conditions and record low consumer confidence.

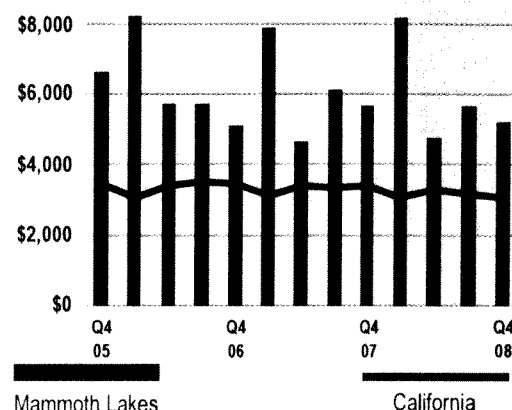
In preparing their revenue projections, the State Department of Finance assumed that the additional one cent tax would result in a one percent loss in future purchases.

Stimulus Package Benefits

The American Recovery and Reinvestment Act of 2009 will send an estimated \$31 billion to the state. Roughly one third will be used to backfill state budget cutbacks in education and other programs, another third for new state spending and the final third for grants made on a competitive basis. Near-

term benefits most likely to boost retail spending include "Making Work Pay" tax credits to boost payroll checks, extending and increasing unemployment insurance payouts, and allowing buyers of new vehicles purchased between February 17th and December 31st to deduct state sales tax from their federal income tax. Analysts warn that for the short term, these benefits will do little more than slow the economy's descent.

SALES PER CAPITA



MAMMOTH LAKES TOP 15 BUSINESS TYPES

Business Type	Mammoth Lakes		HdL State
	Q4 '08	Change	Change
Hotels-Liquor	\$55,557	18.6%	-9.5%
Restaurants Liquor	47,483	28.3%	-1.0%
Sporting Goods/Bike Stores	34,099	-30.2%	-6.4%
Grocery Stores Liquor	— CONFIDENTIAL —		0.7%
Restaurants Beer And Wine	27,135	-1.7%	-6.7%
Lumber/Building Materials	27,017	-21.0%	-12.4%
Service Stations	25,414	-17.4%	-23.1%
Family Apparel	24,071	-26.4%	-3.6%
Restaurants No Alcohol	13,512	-15.8%	1.3%
Fuel/Ice Dealers	13,357	-14.5%	-25.4%
Home Furnishings	12,974	-33.1%	-20.1%
Drug Stores	— CONFIDENTIAL —		-1.4%
Trailers/Auto Parts	— CONFIDENTIAL —		-3.9%
Paint/Glass/Wallpaper	8,866	33.3%	-14.3%
Specialty Stores	5,611	-1.9%	-7.2%
Total All Accounts	\$388,797	-9.5%	-10.3%
County & State Pool Allocation	106,372	-7.5%	
Gross Receipts	\$495,169	-9.0%	